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USDOC FOR 532/OEA/LHINES/ADYSON  
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR PATRICK SANTILLO  
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A

TAGS: [BMGT](#) [BEXP](#) [HK](#) [ETRD](#) [ETTC](#)

SUBJECT: EXTRANCHECK: PRE LICENSE CHECK PEIPORT SCIENTIFIC LIMITED

REF: A) USDOC 04056 B) D396546

1.Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

¶2. As per reftel A request and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Export Control Officer Philip Ankel (ECO) conducted a pre-license check (PLC) at Peiport Scientific Limited, Room 1302, Westlands Centre, 20 Westlands Road, Quarry Bay, Hong Kong (Peiport Scientific). The item in question is a FLIR Gasfinder-LW thermal imaging camera that is the subject of export license application D396546. The item is classified under export control classification number (ECCN) 6A003 and is controlled for national security (NS) and nuclear non-proliferation (NP) reasons. The license applicant is FLIR Systems, Inc. of Wilsonville, Oregon.

¶3. According to the Hong Kong Companies Registry, Peiport Scientific has been in existence since 1998. Its paid up share capital is the Hong Kong equivalent of USD 350,000. Hong Kong residents Wong, Kwan Lik and Yeung, Lun Ching are listed as directors. These two individuals are also directors in two additional companies, namely DNL Optoelec Systems Limited and Peiport Industries Limited.

¶4. According to Peiport Scientific's web site ([www.peiport.com](http://www.peiport.com)), the company specializes in importing high tech and scientific instruments into China, Hong Kong and Macau. It has technical support and sales offices in a range of cities in China including Beijing, Shanghai, Guangzhou, Chengdu, Wuhan, Xian and Lanzhou.

¶5. On August 14, 2008, ECO Philip Ankel visited the company and met with Ms. Debby Lo, Administration Manager and Mr. Roger Tam, Export Sales Manager, Gimbals Systems Department, Peiport Industries Ltd. Ms. Lo provided an overview of Peiport Scientific. She stated that the company was established in 1990. In earlier years, the company was a reseller of Agema infrared (the predecessor of FLIR) and now represents FLIR in the China region (FLIR is the resulting company of a merger between Agema and other similar companies in 1997). Ms. Lo stated that the company had sold more than 2000 infrared cameras into mainland China and has been a FLIR distributor for over 10 years. Its primary customers for FLIR products are power utility companies and Peiport Scientific is the sole agent for FLIR cameras for power utility applications. Peiport Scientific's other customers include universities and factories.

¶6. Ms. Lo and Mr. Tam provided additional information about the related companies referenced above. Peiport Industries Ltd. (as distinct from Peiport Scientific) designs and produces its own products, often using FLIR products. For example, the company produces vehicle based IR and UV systems (what Ms. Lo called integrated systems). Also, Peiport Industries distributes certain small aircraft engines including those manufactured by Rotax, an Australian company ([www.rotax-aircraft-engines.com](http://www.rotax-aircraft-engines.com)). DNL Optoelec Systems Ltd. is a service provider and provides inspection services

using thermal imaging cameras and related products.

¶7. As to the specific camera in question, Ms. Lo stated that the company actually has three outstanding license applications for the same item. Two are for electric power applications (Lanzhou High Voltage Substation Company and Chongqing Electric Power Test and Research Institute). The various sales offices will use the third camera (that is the subject of this check) as a demonstration unit. According to Ms. Lo, the camera will be kept under the company's tight control. The camera will not be loaned to prospective customers and will remain in the physical custody of the company. When not being used for demonstration purposes the camera will be kept under lock and key and will be subject to a log-in/out system. The camera will be transferred among the various offices according to a schedule fixed by the company to accommodate demonstration requests. According to Ms. Lo, FLIR required that the company purchase a demonstration unit in keeping with its exclusive distribution arrangement.

¶8. At the time visited, Peiport Scientific appeared to be a suitable recipient of the subject commodity as it cooperated with the PLC and appears to have an appropriate commercial need for the item. Peiport Scientific likewise confirmed that it will maintain physical custody of the item at all times.